

AMENDED IN SENATE MAY 20, 2004

AMENDED IN SENATE APRIL 19, 2004

**SENATE BILL**

**No. 1145**

**Introduced by Senator Burton**

January 22, 2004

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An act to amend Sections 1946.1, 1950.5, 1954.52, and 1954.53 of, and to amend and repeal Section 827 of, the Civil Code, to amend Section 1161.2 of the Code of Civil Procedure, *and* to amend Section 7060.4 of, and to amend and repeal Section 12955 of, the Government Code, ~~and to amend Section 17997.8 of the Health and Safety Code,~~ relating to tenancy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1145, as amended, Burton. Tenancy.

(1) Until January 1, 2006, existing law requires that if a landlord increases the rent of a month-to-month tenancy in excess of 10% of the amount of the rent charged to a tenant annually, as specified, the landlord shall provide an additional 30 days' notice, for a total of 60 days, prior to the effective date of the increase, except as specified.

This bill would delete the sunset date on the above provision, thereby extending that provision indefinitely.

(2) Until January 1, 2006, existing law provides for the renewal or termination of a hiring of real property for an unspecified term. Until January 1, 2006, existing law also requires an owner of a residential dwelling to give notice to a tenant of his or her intent to terminate a tenancy to give at least 60 days' notice prior to termination or 30 days' notice prior to termination if the tenant has resided in the dwelling for less than one year or if other enumerated circumstances are satisfied.

This bill would delete those sunset dates, thereby extending the above provisions indefinitely.

(3) Existing law requires that a landlord provide specified statements to a tenant if an initial inspection prior to the termination of a tenancy is requested by the tenant.

This bill would modify that list of statements to delete a required statement regarding a claim of security.

(4) Existing law authorizes an owner of residential real property to establish the initial and subsequent rental rates for a dwelling or unit, upon specified circumstances.

This bill would make nonsubstantive, technical changes to those provisions.

(5) In a summary proceeding for the possession of real property, existing law prohibits a court clerk from providing access to the court file, index, register of actions, and other court records if the defendant prevails in the action within 60 days after the complaint is filed.

This bill would permit a court clerk to provide access to those records to specified persons, including, but not limited to, a party to the action, or pursuant to a court order upon a showing of good cause.

(6) Any public entity that has in effect any system of rent control is authorized to subject to specified provisions, accommodations that had been withdrawn from rent or lease and are again offered for rent or lease, as specified.

This bill would make a nonsubstantive, technical change to a related provision.

(7) The Fair Employment and Housing Act prohibits housing discrimination on the basis of race, color, religion, sex, marital status, national origin, ancestry, familial status, or disability. Until January 1, 2005, the act also prohibits discrimination on the basis of a person's source of income, the failure to account for the aggregate income of coresidents, or the failure to exclude a government rent subsidy from that portion of the rent to be paid by the tenant in assessing his or her eligibility for rental housing.

This bill would delete the sunset date on the above provision, thereby extending that provision indefinitely.

~~(8) Until January 1, 2004, a private owner of multiunit residential rental property in Los Angeles County is required to submit to, and maintain with, the county board of supervisors certain identifying information regarding the property where a code enforcement agency has recorded with the county recorder a notice of substandard~~



~~conditions or other specified document. Failure to comply with the reporting requirements of the bill is a misdemeanor and allows a tenant to raise an affirmation defense in an unlawful detainer action, except as specified.~~

~~This bill, by extending those provisions until January 1, 2008, would impose a state-mandated local program.~~

~~(9) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.~~

~~This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.~~

~~With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes no. State-mandated local program: yes no.~~

*The people of the State of California do enact as follows:*

1     SECTION 1.   Section 827 of the Civil Code, as amended by  
2     Section 33 of Chapter 664 of the Statutes of 2002, is amended to  
3     read:  
4     827.   (a) Except as provided in subdivision (b), in all leases of  
5     lands or tenements, or of any interest therein, from week to week,  
6     month to month, or other period less than a month, the landlord  
7     may, upon giving notice in writing to the tenant, in the manner  
8     prescribed by Section 1162 of the Code of Civil Procedure, change  
9     the terms of the lease to take effect, as to tenancies for less than one  
10    month, upon the expiration of a period at least as long as the term  
11    of the hiring itself, and, as to tenancies from month to month, to  
12    take effect at the expiration of not less than 30 days, but if that  
13    change takes effect within a rental term, the rent accruing from the  
14    first day of the term to the date of that change shall be computed  
15    at the rental rate obtained immediately prior to that change;  
16    provided, however, that it shall be competent for the parties to



1 provide by an agreement in writing that a notice changing the  
2 terms thereof may be given at any time not less than seven days  
3 before the expiration of a term, to be effective upon the expiration  
4 of the term.

5 The notice, when served upon the tenant, shall in and of itself  
6 operate and be effectual to create and establish, as a part of the  
7 lease, the terms, rents, and conditions specified in the notice, if the  
8 tenant shall continue to hold the premises after the notice takes  
9 effect.

10 (b) (1) In all leases of a residential dwelling, or of any interest  
11 therein, from week to week, month to month, or other period less  
12 than a month, the landlord may increase the rent provided in the  
13 lease or rental agreement, upon giving written notice to the tenant,  
14 as follows, by either of the following procedures:

15 (A) By delivering a copy to the tenant personally.

16 (B) By serving a copy by mail under the procedures prescribed  
17 in Section 1013 of the Code of Civil Procedure.

18 (2) If the proposed rent increase for that tenant is 10 percent or  
19 less of the rental amount charged to that tenant at any time during  
20 the 12 months prior to the effective date of the increase, either in  
21 and of itself or when combined with any other rent increases for  
22 the 12 months prior to the effective date of the increase, the notice  
23 shall be delivered at least 30 days prior to the effective date of the  
24 increase, and subject to Section 1013 of the Code of Civil  
25 Procedure if served by mail.

26 (3) For an increase in rent greater than the amount described in  
27 paragraph (2), the minimum notice period required pursuant to  
28 that paragraph shall be increased by an additional 30 days, and  
29 subject to Section 1013 of the Code of Civil Procedure if served  
30 by mail. This paragraph does not apply to an increase in rent  
31 caused by a change in a tenant's income or family composition as  
32 determined by a recertification required by statute or regulation.

33 (c) If a state or federal statute, state or federal regulation,  
34 recorded regulatory agreement, or contract provides for a longer  
35 period of notice regarding a rent increase than that provided in  
36 subdivision (a) or (b), the personal service or mailing of the notice  
37 shall be in accordance with the longer period.

38 SEC. 2. Section 827 of the Civil Code, as amended by Section  
39 34 of Chapter 664 of the Statutes of 2002, is repealed.

40 SEC. 3. Section 1946.1 of the Civil Code is amended to read:

1 1946.1. (a) Notwithstanding Section 1946, a hiring of  
2 residential real property for a term not specified by the parties, is  
3 deemed to be renewed as stated in Section 1945, at the end of the  
4 term implied by law unless one of the parties gives written notice  
5 to the other of his or her intention to terminate the tenancy, as  
6 provided in this section.

7 (b) An owner of a residential dwelling giving notice pursuant  
8 to this section shall give notice at least 60 days prior to the  
9 proposed date of termination. A tenant giving notice pursuant to  
10 this section shall give notice for a period at least as long as the term  
11 of the periodic tenancy prior to the proposed date of termination.

12 (c) Notwithstanding subdivision (b), an owner of a residential  
13 dwelling giving notice pursuant to this section shall give notice at  
14 least 30 days prior to the proposed date of termination if the tenant  
15 has resided in the dwelling for less than one year.

16 (d) Notwithstanding subdivision (b), an owner of a residential  
17 dwelling giving notice pursuant to this section shall give notice at  
18 least 30 days prior to the proposed date of termination if all of the  
19 following apply:

20 (1) The dwelling or unit is alienable separate from the title to  
21 any other dwelling unit.

22 (2) The owner has contracted to sell the dwelling or unit to a  
23 bona fide purchaser for value, and has established an escrow with  
24 a licensed escrow agent, as defined in Sections 17004 and 17200  
25 of the Financial Code, or a licensed real estate broker, as defined  
26 in Section 10131 of the Business and Professions Code.

27 (3) The purchaser is a natural person or persons.

28 (4) The notice is given no more than 120 days after the escrow  
29 has been established.

30 (5) Notice was not previously given to the tenant pursuant to  
31 this section.

32 (6) The purchaser in good faith intends to reside in the property  
33 for at least one full year after the termination of the tenancy.

34 (e) The notices required by this section shall be given in the  
35 manner prescribed in Section 1162 of the Code of Civil Procedure  
36 or by sending a copy by certified or registered mail.

37 (f) This section may not be construed to affect the authority of  
38 a public entity that otherwise exists to regulate or monitor the basis  
39 for eviction.

40 SEC. 4. Section 1950.5 of the Civil Code is amended to read:

1 1950.5. (a) This section applies to security for a rental  
2 agreement for residential property that is used as the dwelling of  
3 the tenant.

4 (b) As used in this section, “security” means any payment, fee,  
5 deposit or charge, including, but not limited to, any payment, fee,  
6 deposit, or charge, except as provided in Section 1950.6, that is  
7 imposed at the beginning of the tenancy to be used to reimburse  
8 the landlord for costs associated with processing a new tenant or  
9 that is imposed as an advance payment of rent, used or to be used  
10 for any purpose, including, but not limited to, any of the following:

11 (1) The compensation of a landlord for a tenant’s default in the  
12 payment of rent.

13 (2) The repair of damages to the premises, exclusive of  
14 ordinary wear and tear, caused by the tenant or by a guest or  
15 licensee of the tenant.

16 (3) The cleaning of the premises upon termination of the  
17 tenancy necessary to return the unit to the same level of cleanliness  
18 it was in at the inception of the tenancy. The amendments to this  
19 paragraph enacted by the act adding this sentence shall apply only  
20 to tenancies for which the tenant’s right to occupy begins after  
21 January 1, 2003.

22 (4) To remedy future defaults by the tenant in any obligation  
23 under the rental agreement to restore, replace, or return personal  
24 property or appurtenances, exclusive of ordinary wear and tear, if  
25 the security deposit is authorized to be applied thereto by the rental  
26 agreement.

27 (c) A landlord may not demand or receive security, however  
28 denominated, in an amount or value in excess of an amount equal  
29 to two months’ rent, in the case of unfurnished residential  
30 property, and an amount equal to three months’ rent, in the case of  
31 furnished residential property, in addition to any rent for the first  
32 month paid on or before initial occupancy.

33 This subdivision does not prohibit an advance payment of not  
34 less than six months’ rent if the term of the lease is six months or  
35 longer.

36 This subdivision does not preclude a landlord and a tenant from  
37 entering into a mutual agreement for the landlord, at the request of  
38 the tenant and for a specified fee or charge, to make structural,  
39 decorative, furnishing, or other similar alterations, if the  
40 alterations are other than cleaning or repairing for which the

1 landlord may charge the previous tenant as provided by  
2 subdivision (e).

3 (d) Any security shall be held by the landlord for the tenant who  
4 is party to the lease or agreement. The claim of a tenant to the  
5 security shall be prior to the claim of any creditor of the landlord.

6 (e) The landlord may claim of the security only those amounts  
7 as are reasonably necessary for the purposes specified in  
8 subdivision (b). The landlord may not assert a claim against the  
9 tenant or the security for damages to the premises or any defective  
10 conditions that preexisted the tenancy, for ordinary wear and tear  
11 or the effects thereof, whether the wear and tear preexisted the  
12 tenancy or occurred during the tenancy, or for the cumulative  
13 effects of ordinary wear and tear occurring during any one or more  
14 tenancies.

15 (f) (1) Within a reasonable time after notification of either  
16 party's intention to terminate the tenancy, or before the end of the  
17 lease term, the landlord shall notify the tenant in writing of his or  
18 her option to request an initial inspection and of his or her right to  
19 be present at the inspection. The requirements of this subdivision  
20 do not apply when the tenancy is terminated pursuant to  
21 subdivision (2), (3), or (4) of Section 1161 of the Code of Civil  
22 Procedure. At a reasonable time, but no earlier than two weeks  
23 before the termination or the end of lease date, the landlord, or an  
24 agent of the landlord, shall, upon the request of the tenant, make  
25 an initial inspection of the premises prior to any final inspection  
26 the landlord makes after the tenant has vacated the premises. The  
27 purpose of the initial inspection shall be to allow the tenant an  
28 opportunity to remedy identified deficiencies, in a manner  
29 consistent with the rights and obligations of the parties under the  
30 rental agreement, in order to avoid deductions from the security.  
31 If a tenant chooses not to request an initial inspection, the duties  
32 of the landlord under this subdivision are discharged. If an  
33 inspection is requested, the parties shall attempt to schedule the  
34 inspection at a mutually acceptable date and time. The landlord  
35 shall give at least 48 hours' prior written notice of the date and time  
36 of the inspection if either a mutual time is agreed upon, or if a  
37 mutually agreed time cannot be scheduled but the tenant still  
38 wishes an inspection. The tenant and landlord may agree to forgo  
39 the 48-hour prior written notice by both signing a written waiver.  
40 The landlord shall proceed with the inspection whether the tenant



1 is present or not, unless the tenant previously withdrew his or her  
2 request for the inspection.

3 (2) Based on the inspection, the landlord shall give the tenant  
4 an itemized statement specifying repairs or cleaning that are  
5 proposed to be the basis of any deductions from the security the  
6 landlord intends to make pursuant to paragraphs (1) to (4),  
7 inclusive of subdivision (b). This statement shall also include the  
8 texts of paragraphs (1) to (4), inclusive, of subdivision (b). The  
9 statement shall be given to the tenant, if the tenant is present for  
10 the inspection, or shall be left inside the premises.

11 (3) The tenant shall have the opportunity during the period  
12 following the initial inspection until termination of the tenancy to  
13 remedy identified deficiencies, in a manner consistent with the  
14 rights and obligations of the parties under the rental agreement, in  
15 order to avoid deductions from the security.

16 (4) Nothing in this subdivision shall prevent a landlord from  
17 using the security for deductions itemized in the statement  
18 provided for in paragraph (2) that were not cured by the tenant so  
19 long as the deductions are for damages authorized by this section.

20 (5) Nothing in this subdivision shall prevent a landlord from  
21 using the security for any purpose specified in paragraphs (1) to  
22 (4), inclusive, of subdivision (b) that occurs between completion  
23 of the initial inspection and termination of the tenancy or was not  
24 identified during the initial inspection due to the presence of a  
25 tenant's possessions.

26 (g) (1) No later than 21 calendar days after the tenant has  
27 vacated the premises, but not earlier than the time that either the  
28 landlord or the tenant provides a notice to terminate the tenancy  
29 under Section 1946 or 1946.1, Section 1161 of the Code of Civil  
30 Procedure, or not earlier than 60 calendar days prior to the  
31 expiration of a fixed-term lease, the landlord shall furnish the  
32 tenant, by personal delivery or by first-class mail, postage prepaid,  
33 a copy of an itemized statement indicating the basis for, and the  
34 amount of, any security received and the disposition of the security  
35 and shall return any remaining portion of the security to the tenant.

36 (2) Along with the itemized statement, the landlord shall also  
37 include copies of documents showing charges incurred and  
38 deducted by the landlord to repair or clean the premises, as  
39 follows:



1 (A) If the landlord or landlord's employee did the work, the  
2 itemized statement shall reasonably describe the work performed.  
3 The itemized statement shall include the time spent and the  
4 reasonable hourly rate charged.

5 (B) If the landlord or landlord's employee did not do the work,  
6 the landlord shall provide the tenant a copy of the bill, invoice, or  
7 receipt supplied by the person or entity performing the work. The  
8 itemized statement shall provide the tenant with the name, address,  
9 and telephone number of the person or entity, if the bill, invoice,  
10 or receipt does not include that information.

11 (C) If a deduction is made for materials or supplies, the  
12 landlord shall provide a copy of the bill, invoice, or receipt. If a  
13 particular material or supply item is purchased by the landlord on  
14 an ongoing basis, the landlord may document the cost of the item  
15 by providing a copy of a bill, invoice, receipt, vendor price list, or  
16 other vendor document that reasonably documents the cost of the  
17 item used in the repair or cleaning of the unit.

18 (3) If a repair to be done by the landlord or the landlord's  
19 employee cannot reasonably be completed within 21 calendar days  
20 after the tenant has vacated the premises, or if the documents from  
21 a person or entity providing services, materials, or supplies are not  
22 in the landlord's possession within 21 calendar days after the  
23 tenant has vacated the premises, the landlord may deduct the  
24 amount of a good faith estimate of the charges that will be incurred  
25 and provide that estimate with the itemized statement. If the reason  
26 for the estimate is because the documents from a person or entity  
27 providing services, materials, or supplies are not in the landlord's  
28 possession, the itemized statement shall include the name, address,  
29 and telephone number of the person or entity. Within 14 calendar  
30 days of completing the repair or receiving the documentation, the  
31 landlord shall complete the requirements in paragraphs (1) and (2)  
32 in the manner specified.

33 (4) The landlord need not comply with paragraph (2) or (3) if  
34 either of the following apply:

35 (A) The deductions for repairs and cleaning together do not  
36 exceed one hundred twenty-five dollars (\$125).

37 (B) The tenant waived the rights specified in paragraphs (2)  
38 and (3). The waiver shall only be effective if it is signed by the  
39 tenant at the same time or after a notice to terminate a tenancy  
40 under Section 1946 or 1946.1 has been given, a notice under

1 Section 1161 of the Code of Civil Procedure has been given, or no  
2 earlier than 60 calendar days prior to the expiration of a fixed-term  
3 lease. The waiver shall substantially include the text of paragraph  
4 (2).

5 (5) Notwithstanding paragraph (4), the landlord shall comply  
6 with paragraphs (2) and (3) when a tenant makes a request for  
7 documentation within 14 calendar days after receiving the  
8 itemized statement specified in paragraph (1). The landlord shall  
9 comply within 14 calendar days after receiving the request from  
10 the tenant.

11 (6) Any mailings to the tenant pursuant to this subdivision shall  
12 be sent to the address provided by the tenant. If the tenant does not  
13 provide an address, mailings pursuant to this subdivision shall be  
14 sent to the unit that has been vacated.

15 (h) Upon termination of the landlord's interest in the premises,  
16 whether by sale, assignment, death, appointment of receiver or  
17 otherwise, the landlord or the landlord's agent shall, within a  
18 reasonable time, do one of the following acts, either of which shall  
19 relieve the landlord of further liability with respect to the security  
20 held:

21 (1) Transfer the portion of the security remaining after any  
22 lawful deductions made under subdivision (e) to the landlord's  
23 successor in interest. The landlord shall thereafter notify the tenant  
24 by personal delivery or by first-class mail, postage prepaid, of the  
25 transfer, of any claims made against the security, of the amount of  
26 the security deposited, and of the names of the successors in  
27 interest, their address, and their telephone number. If the notice to  
28 the tenant is made by personal delivery, the tenant shall  
29 acknowledge receipt of the notice and sign his or her name on the  
30 landlord's copy of the notice.

31 (2) Return the portion of the security remaining after any  
32 lawful deductions made under subdivision (e) to the tenant,  
33 together with an accounting as provided in subdivision (g).

34 (i) Prior to the voluntary transfer of a landlord's interest in the  
35 premises, the landlord shall deliver to the landlord's successor in  
36 interest a written statement indicating the following:

37 (1) The security remaining after any lawful deductions are  
38 made.

39 (2) An itemization of any lawful deductions from any security  
40 received.

1 (3) His or her election under paragraph (1) or (2) of subdivision  
2 (h).

3 This subdivision does not affect the validity of title to the real  
4 property transferred in violation of this subdivision.

5 (j) In the event of noncompliance with subdivision (h), the  
6 landlord's successors in interest shall be jointly and severally  
7 liable with the landlord for repayment of the security, or that  
8 portion thereof to which the tenant is entitled, when and as  
9 provided in subdivisions (e) and (g). A successor in interest of a  
10 landlord may not require the tenant to post any security to replace  
11 that amount not transferred to the tenant or successors in interest  
12 as provided in subdivision (h), unless and until the successor in  
13 interest first makes restitution of the initial security as provided in  
14 paragraph (2) of subdivision (h) or provides the tenant with an  
15 accounting as provided in subdivision (g).

16 This subdivision does not preclude a successor in interest from  
17 recovering from the tenant compensatory damages that are in  
18 excess of the security received from the landlord previously paid  
19 by the tenant to the landlord.

20 Notwithstanding this subdivision, if, upon inquiry and  
21 reasonable investigation, a landlord's successor in interest has a  
22 good faith belief that the lawfully remaining security deposit is  
23 transferred to him or her or returned to the tenant pursuant to  
24 subdivision (h), he or she is not liable for damages as provided in  
25 subdivision (l), or any security not transferred pursuant to  
26 subdivision (h).

27 (k) Upon receipt of any portion of the security under paragraph  
28 (1) of subdivision (h), the landlord's successors in interest shall  
29 have all of the rights and obligations of a landlord holding the  
30 security with respect to the security.

31 (l) The bad faith claim or retention by a landlord or the  
32 landlord's successors in interest of the security or any portion  
33 thereof in violation of this section, or the bad faith demand of  
34 replacement security in violation of subdivision (j), may subject  
35 the landlord or the landlord's successors in interest to statutory  
36 damages of up to twice the amount of the security, in addition to  
37 actual damages. The court may award damages for bad faith  
38 whenever the facts warrant ~~such an~~ *that* award, regardless of  
39 whether the injured party has specifically requested relief. In any  
40 action under this section, the landlord or the landlord's successors

1 in interest shall have the burden of proof as to the reasonableness  
2 of the amounts claimed or the authority pursuant to this section to  
3 demand additional security deposits.

4 (m) No lease or rental agreement may contain any provision  
5 characterizing any security as “nonrefundable.”

6 (n) Any action under this section may be maintained in small  
7 claims court if the damages claimed, whether actual or statutory  
8 or both, are within the jurisdictional amount allowed by Section  
9 116.220 of the Code of Civil Procedure.

10 (o) Proof of the existence of and the amount of a security  
11 deposit may be established by any credible evidence, including,  
12 but not limited to, a canceled check, a receipt, a lease indicating the  
13 requirement of a deposit as well as the amount, prior consistent  
14 statements or actions of the landlord or tenant, or a statement under  
15 penalty of perjury that satisfies the credibility requirements set  
16 forth in Section 780 of the Evidence Code.

17 (p) The amendments to this section made during the 1985  
18 portion of the 1985–86 Regular Session of the Legislature that are  
19 set forth in subdivision (e) are declaratory of existing law.

20 (q) The amendments to this section made during the 2003  
21 portion of the 2003–04 Regular Session of the Legislature that are  
22 set forth in paragraph (1) of subdivision (f) are declaratory of  
23 existing law.

24 SEC. 5. Section 1954.52 of the Civil Code is amended to read:

25 1954.52. (a) Notwithstanding any other provision of law, an  
26 owner of residential real property may establish the initial and all  
27 subsequent rental rates for a dwelling or a unit about which any of  
28 the following is true:

29 (1) It has a certificate of occupancy issued after February 1,  
30 1995.

31 (2) It has already been exempt from the residential rent control  
32 ordinance of a public entity on or before February 1, 1995,  
33 pursuant to a local exemption for newly constructed units.

34 (3) (A) It is alienable separate from the title to any other  
35 dwelling unit or is a subdivided interest in a subdivision, as  
36 specified in subdivision (b), (d), or (f) of Section 11004.5 of the  
37 Business and Professions Code.

38 (B) This paragraph does not apply to either of the following:

39 (i) A dwelling or unit where the preceding tenancy has been  
40 terminated by the owner by notice pursuant to Section 1946.1 or

has been terminated upon a change in the terms of the tenancy noticed pursuant to Section 827.

(ii) A condominium dwelling or unit that has not been sold separately by the subdivider to a bona fide purchaser for value. The initial rent amount of the unit for purposes of this chapter shall be the lawful rent in effect on May 7, 2001, unless the rent amount is governed by a different provision of this chapter. However, if a condominium dwelling or unit meets the criteria of paragraph (1) or (2) of subdivision (a), or if all the dwellings or units except one have been sold separately by the subdivider to bona fide purchasers for value, and the subdivider has occupied that remaining unsold condominium dwelling or unit as his or her principal residence for at least one year after the subdivision occurred, then subparagraph (A) of paragraph (3) shall apply to that unsold condominium dwelling or unit.

(C) Where a dwelling or unit in which the initial or subsequent rental rates are controlled by an ordinance or charter provision in effect on January 1, 1995, the following shall apply:

(i) An owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all existing and new tenancies in effect on or after January 1, 1999, if the tenancy in effect on or after January 1, 1999, was created between January 1, 1996, and December 31, 1998.

(ii) Commencing on January 1, 1999, an owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all new tenancies if the previous tenancy was in effect on December 31, 1995.

(iii) The initial rental rate for a dwelling or unit as described in this paragraph in which the initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995, may not, until January 1, 1999, exceed the amount calculated pursuant to subdivision (c) of Section 1954.53. An owner of residential real property as described in this paragraph may, until January 1, 1999, establish the initial rental rate for a dwelling or unit only where the tenant has voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of the Code of Civil Procedure.

(b) Subdivision (a) does not apply where the owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance

1 specified in Chapter 4.3 (commencing with Section 65915) of  
2 Division 1 of Title 7 of the Government Code.

3 (c) Nothing in this section shall be construed to affect the  
4 authority of a public entity that may otherwise exist to regulate or  
5 monitor the basis for eviction.

6 (d) This section does not apply to any dwelling or unit that  
7 contains serious health, safety, fire, or building code violations,  
8 excluding those caused by disasters for which a citation has been  
9 issued by the appropriate governmental agency and which has  
10 remained unabated for six months or longer preceding the  
11 vacancy.

12 SEC. 6. Section 1954.53 of the Civil Code is amended to read:

13 1954.53. (a) Notwithstanding any other provision of law, an  
14 owner of residential real property may establish the initial rental  
15 rate for a dwelling or unit, except where any of the following  
16 applies:

17 (1) The previous tenancy has been terminated by the owner by  
18 notice pursuant to Section 1946.1 or has been terminated upon a  
19 change in the terms of the tenancy noticed pursuant to Section 827,  
20 except a change permitted by law in the amount of rent or fees. For  
21 the purpose of this paragraph, the owner's termination or  
22 nonrenewal of a contract or recorded agreement with a  
23 governmental agency that provides for a rent limitation to a  
24 qualified tenant, shall be construed as a change in the terms of the  
25 tenancy pursuant to Section 827.

26 (A) In a jurisdiction that controls by ordinance or charter  
27 provision the rental rate for a dwelling or unit, an owner who  
28 terminates or fails to renew a contract or recorded agreement with  
29 a governmental agency that provides for a rent limitation to a  
30 qualified tenant may not set an initial rent for three years following  
31 the date of the termination or nonrenewal of the contract or  
32 agreement. For any new tenancy established during the three-year  
33 period, the rental rate for a new tenancy established in that vacated  
34 dwelling or unit shall be at the same rate as the rent under the  
35 terminated or nonrenewed contract or recorded agreement with a  
36 governmental agency that provided for a rent limitation to a  
37 qualified tenant, plus any increases authorized after the  
38 termination or cancellation of the contract or recorded agreement.

39 (B) Subparagraph (A) does not apply to any new tenancy of 12  
40 months or more duration established after January 1, 2000,

pursuant to the owner's contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, unless the prior vacancy in that dwelling or unit was pursuant to a nonrenewed or canceled contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant as set forth in that subparagraph.

(2) The owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

(3) The initial rental rate for a dwelling or unit whose initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995, may not until January 1, 1999, exceed the amount calculated pursuant to subdivision (c).

(b) Subdivision (a) applies to, and includes, renewal of the initial hiring by the same tenant, lessee, authorized subtenant, or authorized sublessee for the entire period of his or her occupancy at the rental rate established for the initial hiring.

(c) The rental rate of a dwelling or unit whose initial rental rate is controlled by ordinance or charter provision in effect on January 1, 1995, shall, until January 1, 1999, be established in accordance with this subdivision. Where the previous tenant has voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of Code of Civil Procedure, an owner of residential real property may, no more than twice, establish the initial rental rate for a dwelling or unit in an amount that is no greater than 15 percent more than the rental rate in effect for the immediately preceding tenancy or in an amount that is 70 percent of the prevailing market rent for comparable units, whichever amount is greater.

The initial rental rate established pursuant to this subdivision may not substitute for or replace increases in rental rates otherwise authorized pursuant to law.

(d) (1) Nothing in this section or any other provision of law shall be construed to preclude express establishment in a lease or rental agreement of the rental rates to be applicable in the event the rental unit subject thereto is sublet. Nothing in this section shall be construed to impair the obligations of contracts entered into prior to January 1, 1996.



(2) If the original occupant or occupants who took possession of the dwelling or unit pursuant to the rental agreement with the owner no longer permanently reside there, an owner may increase the rent by any amount allowed by this section to a lawful sublessee or assignee who did not reside at the dwelling or unit prior to January 1, 1996.

(3) This subdivision does not apply to partial changes in occupancy of a dwelling or unit where one or more of the occupants of the premises, pursuant to the agreement with the owner provided for above, remains an occupant in lawful possession of the dwelling or unit, or where a lawful sublessee or assignee who resided at the dwelling or unit prior to January 1, 1996, remains in possession of the dwelling or unit. Nothing contained in this section shall be construed to enlarge or diminish an owner's right to withhold consent to a sublease or assignment.

(4) Acceptance of rent by the owner does not operate as a waiver or otherwise prevent enforcement of a covenant prohibiting sublease or assignment or as a waiver of an owner's rights to establish the initial rental rate, unless the owner has received written notice from the tenant that is party to the agreement and thereafter accepted rent.

(e) Nothing in this section shall be construed to affect any authority of a public entity that may otherwise exist to regulate or monitor the grounds for eviction.

(f) This section does not apply to any dwelling or unit if all the following conditions are met:

(1) The dwelling or unit has been cited in an inspection report by the appropriate governmental agency as containing serious health, safety, fire, or building code violations, as defined by Section 17920.3 of the Health and Safety Code, excluding any violation caused by a disaster.

(2) The citation was issued at least 60 days prior to the date of the vacancy.

(3) The cited violation had not been abated when the prior tenant vacated and had remained unabated for 60 days or for a longer period of time. However, the 60-day time period may be extended by the appropriate governmental agency that issued the citation.

SEC. 7. Section 1161.2 of the Code of Civil Procedure is amended to read:

1 1161.2. (a) The clerk may allow access to limited civil case  
2 records filed under this chapter, including the court file, index, and  
3 register of actions, only as follows:

4 (1) To a party to the action, including a party's attorney.

5 (2) To any person who provides the clerk with the names of at  
6 least one plaintiff and one defendant and the address of the  
7 premises, including the apartment or unit number, if any.

8 (3) To a resident of the premises who provides the clerk with  
9 the name of one of the parties or the case number and shows proof  
10 of residency.

11 (4) To any person by order of the court, which may be granted  
12 ex parte, on a showing of good cause.

13 (5) To any other person 60 days after the complaint has been  
14 filed, unless a defendant prevails in the action within 60 days of the  
15 filing of the complaint, in which case the clerk may not allow  
16 access to any court records in the action, except as provided in  
17 paragraphs (1) to (4), inclusive.

18 (b) For purposes of this section, "good cause" includes, but is  
19 not limited to, the gathering of newsworthy facts by a person  
20 described in Section 1070 of the Evidence Code. It is the intent of  
21 the Legislature that a simple procedure be established to request  
22 the ex parte order described in ~~subdivisions (a) and (c)~~ *subdivision*  
23 *(a)*.

24 (c) Upon the filing of any case so restricted, the court clerk  
25 shall mail notice to each defendant named in the action. The notice  
26 shall be mailed to the address provided in the complaint. The  
27 notice shall contain a statement that an unlawful detainer  
28 complaint (eviction action) has been filed naming that party as a  
29 defendant, and that access to the court file will be delayed for 60  
30 days except to a party, an attorney for one of the parties, or any  
31 other person who (1) provides to the clerk the names of at least one  
32 plaintiff and one defendant in the action and provides to the clerk  
33 the address, including any applicable apartment, unit, or space  
34 number, of the subject premises, or (2) provides to the clerk the  
35 name of one of the parties in the action or the case number and can  
36 establish through proper identification that he or she lives at the  
37 subject premises. The notice shall also contain a statement that  
38 access to the court index, register of actions, or other records is not  
39 permitted until 60 days after the complaint is filed, except pursuant  
40 to an ex parte order upon a showing of good cause therefor. The

1 notice shall contain on its face the name and telephone number of  
2 the county bar association and the name and telephone number of  
3 an office funded by the federal Legal Services Corporation that  
4 provides legal services to low-income persons in the county in  
5 which the action is filed. The notice shall state that these numbers  
6 may be called for legal advice regarding the case. The notice shall  
7 be issued between 24 and 48 hours of the filing of the complaint,  
8 excluding weekends and holidays. One copy of the notice shall be  
9 addressed to “all occupants” and mailed separately to the subject  
10 premises. The notice shall not constitute service of the summons  
11 and complaint.

12 (d) Notwithstanding any other provision of law, the court shall  
13 charge an additional fee of four dollars (\$4) for filing a first  
14 appearance by the plaintiff. This fee shall be included as part of the  
15 total filing fee for actions filed under this chapter.

16 (e) This section does not apply to a case that seeks to terminate  
17 a mobilehome park tenancy if the statement of the character of the  
18 proceeding in the caption of the complaint clearly indicates that the  
19 complaint seeks termination of a mobilehome park tenancy.

20 SEC. 8. Section 7060.4 of the Government Code is amended  
21 to read:

22 7060.4. (a) Any public entity which, by a valid exercise of its  
23 police power, has in effect any control or system of control on the  
24 price at which accommodations are offered for rent or lease, may  
25 require by statute or ordinance, or by regulation as specified in  
26 Section 7060.5, that the owner notify the entity of an intention to  
27 withdraw those accommodations from rent or lease and may  
28 require that the notice contain statements, under penalty of perjury,  
29 providing information on the number of accommodations, the  
30 address or location of those accommodations, the name or names  
31 of the tenants or lessees of the accommodations, and the rent  
32 applicable to each residential rental unit.

33 Information respecting the name or names of the tenants, the  
34 rent applicable to any residential rental unit, or the total number of  
35 accommodations, is confidential information and for purposes of  
36 this chapter shall be treated as confidential information by any  
37 public entity for purposes of the Information Practices Act of 1977  
38 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4  
39 of Division 3 of the Civil Code). A public entity shall, to the extent



1 required by the preceding sentence, be considered an “agency,”  
2 as defined by subdivision (d) of Section 1798.3 of the Civil Code.

3 (b) The statute, ordinance, or regulation of the public entity  
4 may require that the owner record with the county recorder a  
5 memorandum summarizing the provisions, other than the  
6 confidential provisions, of the notice in a form which shall be  
7 prescribed by the statute, ordinance, or regulation, and require a  
8 certification with that notice that actions have been initiated as  
9 required by law to terminate any existing tenancies. In that  
10 situation, the date on which the accommodations are withdrawn  
11 from rent or lease for purposes of this chapter is 120 days from the  
12 delivery in person or by first-class mail of that notice to the public  
13 entity. However, if the tenant or lessee is at least 62 years of age  
14 or disabled, and has lived in his or her accommodations for at least  
15 one year prior to the date of delivery to the public entity of the  
16 notice of intent to withdraw pursuant to subdivision (a), then the  
17 date of withdrawal of the accommodations of that tenant or lessee  
18 shall be extended to one year after the date of delivery of that notice  
19 to the public entity, provided that the tenant or lessee gives written  
20 notice of his or her entitlement to an extension to the owner within  
21 60 days of the date of delivery to the public entity of the notice of  
22 intent to withdraw. In that situation, the following provisions shall  
23 apply:

24 (1) The tenancy shall be continued on the same terms and  
25 conditions as existed on the date of delivery to the public entity of  
26 the notice of intent to withdraw, subject to any adjustments  
27 otherwise available under the system of control.

28 (2) No party shall be relieved of the duty to perform any  
29 obligation under the lease or rental agreement.

30 (3) The owner may elect to extend the date of withdrawal on  
31 any other accommodations up to one year after date of delivery to  
32 the public entity of the notice of intent to withdraw, subject to  
33 paragraphs (1) and (2).

34 (4) Within 30 days of the notification by the tenant or lessee to  
35 the owner of his or her entitlement to an extension, the owner shall  
36 give written notice to the public entity of the claim that the tenant  
37 or lessee is entitled to stay in their accommodations for one year  
38 after date of delivery to the public entity of the notice of intent to  
39 withdraw.

(5) Within 90 days of date of delivery to the public entity of the notice of intent to withdraw, the owner shall give written notice to the public entity and the affected tenant or lessee of the owner's election to extend the date of withdrawal and the new date of withdrawal under paragraph (3).

(c) The statute, ordinance, or regulation of the public entity adopted pursuant to subdivision (a) may also require the owner to notify any tenant or lessee displaced pursuant to this chapter of the following:

(1) That the public entity has been notified pursuant to subdivision (a).

(2) That the notice to the public entity specified the name and the amount of rent paid by the tenant or lessee as an occupant of the accommodations.

(3) The amount of rent the owner specified in the notice to the public entity.

(4) Notice to the tenant or lessee of his or her rights under paragraph (3) of subdivision (b) of Section 7060.2.

(5) Notice to the tenant or lessee of the following:

(A) If the tenant or lessee is at least 62 years of age or disabled, and has lived in his or her accommodations for at least one year prior to the date of delivery to the public entity of the notice of intent to withdraw, then tenancy shall be extended to one year after date of delivery to the public entity of the notice of intent to withdraw, provided that the tenant or lessee gives written notice of his or her entitlement to the owner within 60 days of date of delivery to the public entity of the notice of intent to withdraw.

(B) The extended tenancy shall be continued on the same terms and conditions as existed on date of delivery to the public entity of the notice of intent to withdraw, subject to any adjustments otherwise available under the system of control.

(C) No party shall be relieved of the duty to perform any obligation under the lease or rental agreement during the extended tenancy.

(d) The statute, ordinance, or regulation of the public entity adopted pursuant to subdivision (a) may also require the owner to notify the public entity in writing of an intention to again offer the accommodations for rent or lease.

SEC. 9. Section 12955 of the Government Code, as amended by Section 9.7 of Chapter 592 of the Statutes of 1999, is amended to read:

12955. It shall be unlawful:

(a) For the owner of any housing accommodation to discriminate against or harass any person because of the race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability of that person.

(b) For the owner of any housing accommodation to make or to cause to be made any written or oral inquiry concerning the race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, or disability of any person seeking to purchase, rent or lease any housing accommodation.

(c) For any person to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a housing accommodation that indicates any preference, limitation, or discrimination based on race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability or an intention to make any such preference, limitation, or discrimination.

(d) For any person subject to the provisions of Section 51 of the Civil Code, as that section applies to housing accommodations, to discriminate against any person on the basis of sex, sexual orientation, color, race, religion, ancestry, national origin, familial status, marital status, disability, source of income, or on any other basis prohibited by that section.

(e) For any person, bank, mortgage company or other financial institution that provides financial assistance for the purchase, organization, or construction of any housing accommodation to discriminate against any person or group of persons because of the race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability in the terms, conditions, or privileges relating to the obtaining or use of that financial assistance.

(f) For any owner of housing accommodations to harass, evict, or otherwise discriminate against any person in the sale or rental of housing accommodations when the owner's dominant purpose is retaliation against a person who has opposed practices unlawful

1 under this section, informed law enforcement agencies of practices  
2 believed unlawful under this section, has testified or assisted in any  
3 proceeding under this part, or has aided or encouraged a person to  
4 exercise or enjoy the rights secured by this part. Nothing herein is  
5 intended to cause or permit the delay of an unlawful detainer  
6 action.

7 (g) For any person to aid, abet, incite, compel, or coerce the  
8 doing of any of the acts or practices declared unlawful in this  
9 section, or to attempt to do so.

10 (h) For any person, for profit, to induce any person to sell or  
11 rent any dwelling by representations regarding the entry or  
12 prospective entry into the neighborhood of a person or persons of  
13 a particular race, color, religion, sex, sexual orientation, marital  
14 status, ancestry, disability, source of income, familial status, or  
15 national origin.

16 (i) For any person or other organization or entity whose  
17 business involves real estate-related transactions to discriminate  
18 against any person in making available a transaction, or in the  
19 terms and conditions of a transaction, because of race, color,  
20 religion, sex, sexual orientation, marital status, national origin,  
21 ancestry, source of income, familial status, or disability.

22 (j) To deny a person access to, or membership or participation  
23 in, a multiple listing service, real estate brokerage organization, or  
24 other service because of race, color, religion, sex, sexual  
25 orientation, marital status, ancestry, disability, familial status,  
26 source of income, or national origin.

27 (k) To otherwise make unavailable or deny a dwelling based on  
28 discrimination because of race, color, religion, sex, sexual  
29 orientation, familial status, source of income, disability, or  
30 national origin.

31 (l) To discriminate through public or private land use practices,  
32 decisions, and authorizations because of race, color, religion, sex,  
33 sexual orientation, familial status, marital status, disability,  
34 national origin, source of income, or ancestry. Discrimination  
35 includes, but is not limited to, restrictive covenants, zoning laws,  
36 denials of use permits, and other actions authorized under the  
37 Planning and Zoning Law (Title 7 (commencing with Section  
38 65000)), that make housing opportunities unavailable.

39 Discrimination under this subdivision also includes the  
40 existence of a restrictive covenant, regardless of whether



1 accompanied by a statement that the restrictive covenant is  
2 repealed or void. This paragraph shall become operative on  
3 January 1, 2001.

4 (m) As used in this section, “race, color, religion, sex, sexual  
5 orientation, marital status, national origin, ancestry, familial  
6 status, source of income, or disability” includes a perception that  
7 the person has any of those characteristics or that the person is  
8 associated with a person who has, or is perceived to have, any of  
9 those characteristics.

10 (n) To use a financial or income standard in the rental of  
11 housing that fails to account for the aggregate income of persons  
12 residing together or proposing to reside together on the same basis  
13 as the aggregate income of married persons residing together or  
14 proposing to reside together.

15 (o) In instances where there is a government rent subsidy, to use  
16 a financial or income standard in assessing eligibility for the rental  
17 of housing that is not based on the portion of the rent to be paid by  
18 the tenant.

19 (p) (1) For the purposes of this section, “source of income”  
20 means lawful, verifiable income paid directly to a tenant or paid  
21 to a representative of a tenant.

22 (2) For the purposes of this section, it shall not constitute  
23 discrimination based on source of income to make a written or oral  
24 inquiry concerning the level or source of income.

25 SEC. 10. Section 12955 of the Government Code, as added by  
26 Section 9.83 of Chapter 592 of the Statutes of 1999, is repealed.

27 ~~SEC. 11. Section 17997.8 of the Health and Safety Code is~~  
28 ~~amended to read:~~

29 ~~17997.8. This chapter shall apply only to the County of Los~~  
30 ~~Angeles as a pilot project and shall remain in effect only until~~  
31 ~~January 1, 2008, and as of that date is repealed, unless a later~~  
32 ~~enacted statute that is enacted before January 1, 2008, deletes or~~  
33 ~~extends that date.~~

34 ~~SEC. 12. No reimbursement is required by this act pursuant~~  
35 ~~to Section 6 of Article XIII B of the California Constitution for~~  
36 ~~certain costs that may be incurred by a local agency or school~~  
37 ~~district because in that regard this act creates a new crime or~~  
38 ~~infraction, eliminates a crime or infraction, or changes the penalty~~  
39 ~~for a crime or infraction, within the meaning of Section 17556 of~~  
40 ~~the Government Code, or changes the definition of a crime within~~

1 ~~the meaning of Section 6 of Article XIII B of the California~~  
2 ~~Constitution.~~

3 ~~However, notwithstanding Section 17610 of the Government~~  
4 ~~Code, if the Commission on State Mandates determines that this~~  
5 ~~act contains other costs mandated by the state, reimbursement to~~  
6 ~~local agencies and school districts for those costs shall be made~~  
7 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~  
8 ~~4 of Title 2 of the Government Code. If the statewide cost of the~~  
9 ~~claim for reimbursement does not exceed one million dollars~~  
10 ~~(\$1,000,000), reimbursement shall be made from the State~~  
11 ~~Mandates Claims Fund.~~

